

**Remarks:**

1. Applicants have amended claims 23 and 24 to overcome the Examiner's objections. Applicants appreciate the Examiner's detailed examination..
2. Claims 1-24 are rejected under 35 U.S.C. 102(e) as being anticipated by Lutz (6,522,130).
  - a. Regarding claim 1, applicants have amended claim 1 to more clearly point out that the return flux lines in which the magnetic field sensor is disposed are return flux lines that are returning radially to the magnet. Lutz teaches and claims placing the magnetic field sensors in the tangential plane, the flux line emanating and returning to the same surface of the magnet. In contradistinction, the instant invention places the magnetic field sensor in radially returning flux lines (emanating from one surface of the magnet and returning to the opposite surface). This can be seen in Figures 1, 2, 3, 5, 6, and 7 of the instant application. Additionally, the method and structure of Lutz requires 2 sensors and multi-pole magnets, whereas the method and structure of the instant application only requires one sensor and a single pole magnet ring. Applicants contend that this patentably distinguishes the instant invention over the prior art and that claim 1 is now in condition for allowance.
  - b. Regarding claims 2-8, as these claims depend directly or indirectly from claim 1, for at least the reasons cited above in 2(a), applicants contend these claims are in condition for allowance.

- c. Regarding claim 9, the same amendments have been made to claim 9 that were made to claim 1. The same arguments concerning placing the magnetic sensor in a radial return flux line apply. Therefore, applicants contend that claim 9 is now in condition for allowance.
- d. Regarding claims 10-16, as these claims depend directly or indirectly from claim 9, for at least the reasons cited above in 2(c), applicants contend these claims are in condition for allowance.
- e. Regarding claim 17, the same amendments have been made to claim 17 that were made to claim 1. The same arguments concerning placing the magnetic sensor in a radial return flux line apply. Therefore, applicants contend that claim 17 is now in condition for allowance.
- f. Regarding claims 18-24, as these claims depend directly or indirectly from claim 17, for at least the reasons cited above in 2(e), applicants contend these claims are in condition for allowance.

Applicants appreciate the Examiner's thorough examination of the instant application.

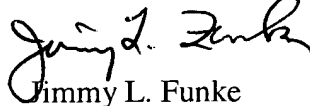
Applicants believe that the application is now in condition for allowance and look forward to a timely Notice of Allowance.

Appl. No. 10/754,026  
Amdt. Dated 21-SEPTEMBER-2005  
Reply to Office Action of June 30, 2005

Although no fees are believed due, the Commissioner is authorized to charge our Deposit

Account No. 50-0831 for any fees or credit the account for any overpayment.

Respectfully submitted,

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